

The Insolvency Act 1986

Administrators' progress report

Name of Company Joseph Metcalf Limited	Company number 00221152
In the High Court of Justice Chancery Division Manchester District Registry [full name of court]	Court case number 2830 of 2015

(a) Insert full name(s) and address(es) of administrator(s)

#We (a)

William James Wright
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Mark Jeremy Orton
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Joint Administrators of the above company attach a progress report for the period

(b) Insert dates

from

to

(b) 31 July 2016

(b) 30 January 2017

Signed



Joint Administrator

Dated

27 February 2017

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Amy Rose
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH United Kingdom

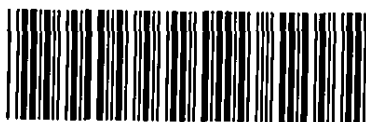
Tel 0115 9353582

When you have completed and signed this form, please send it to the Registrar of Companies at -

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

TUESDAY



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28/02/2017

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COMPANIES HOUSE



Joint
Administrators'
progress
report for the
period 31 July
2016 to 30
January 2017

Joseph Metcalf Limited - in
Administration

27 February 2017

Notice to creditors

This progress report provides an update on the administration of the Company

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor

You will find other important information in this progress report such as the costs which we have incurred to date

A glossary of the abbreviations used throughout this document is attached (Appendix 5).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+JF731F3605.html>. We hope this is helpful to you

Please also note that an important legal notice about this progress report is attached (Appendix 6).

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1 Executive summary

- This progress report covers the period from 31 July 2016 to 30 January 2017
- Creditors were previously notified that the majority of assets held within this Company were sold as part of the pre-packaged transactions. There were no further realisations in this period. (Section 2 - Progress to date).
- The Company has a claim in the administration of William Sinclair Horticulture and a dividend of approximately £10,000 - £15,000 is anticipated shortly. Along with the current funds held, the dividend from Horticulture will be utilised to cover the costs of the Administration
- The two secured creditors of this Company are Leumi and the Loan Note Holders. As previously reported, Leumi's indebtedness is likely to be discharged in full through Horticulture and therefore Leumi will not be claiming in the Company under their cross guarantee. No dividend is likely to be distributed to the Loan Note Holders from this entity however it is anticipated they will also make a full recovery across the Group. (Section 3 - Dividend prospects)
- There are no employees in the Company and as such, no preferential claims are expected (Section 3 - Dividend prospects).
- HM Revenue & Customs ('HMRC') are the only known unsecured creditor. We do not anticipate a distribution to be made available to unsecured creditors. (Section 3 - Dividend prospects)
- The administration is currently due to end on 30 July 2017
- Please note you should read this progress report in conjunction with our previous progress reports and proposals issued to the Company's creditors which can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+JF731F3605.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT



Will Wright
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our previous progress report.

2.1 Strategy and progress to date

Sale of Business

As previously reported, we completed a sale of the majority of the business and assets of the Group to Westland (GB Trading) Limited ('Westland') on 31 July 2015 for a total consideration of £13.5 million. Included in this sale were the Company's Astley property and one trademark, which were sold for a total of £20,000.

Claim in Horticulture

The Company is also a creditor in the administration of William Sinclair Horticulture Limited ('Horticulture') for the amount of £1.41 million. Although no dividend has been paid in the period, a distribution of approximately 1p in the £ is expected from Horticulture based on current estimates. This would currently result in a dividend of approximately £10,000 - £15,000.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the realisations during the period are provided below.

Interest on VAT returns

A VAT supplement of £50.84 was received for the late payment of the VAT refund due from HMRC in respect of the December 2015 and March 2016 VAT returns

Bank interest

Bank interest of £9.52 was received in the period from Barclays Bank.

2.3 Costs

There were no payments made during the period.

2.4 Schedule of expenses

We have detailed the unpaid costs incurred during the period, in the schedule of expenses attached (Appendix 3)

3 Dividend prospects

3.1 Secured creditors

Leumi and the Loan Note Holders are both secured creditors who are cross-guaranteed by the Company. A distribution of £5.414 million and £5 million was paid to Leumi and the Loan Note Holders respectively from Horticulture in a previous period.

During the period, further distributions of £3.2 million and £1 million have been made to the Loan Note Holders from Holdings and Horticulture respectively.

No distributions to the secured creditors are expected from the Company as there are no further assets to be realised. It's likely that the two secured creditors will be fully repaid from the other Group companies.

3.2 Preferential creditors

We are not aware of any preferential claims against the Company.

3.3 Unsecured creditors

The only unsecured creditor we are aware of is HMRC. Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors.

4 Joint Administrators' remuneration and disbursements

Time costs

From 31 July 2016 to 30 January 2017, we have incurred time costs of £10,653. These represent 38 hours at an average rate of £277 per hour.

Disbursements

During the period, we have not incurred any disbursements. The sum of £276 was incurred in a prior period and remains unpaid.

Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 31 July 2016 to 30 January 2017. We have also attached our charging and disbursements policy.

5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to

- receipt of dividend from Horticulture;
- completion of ongoing VAT and tax matters,
- completion of ongoing statutory requirements, and
- discharge of the final costs of which will include our remuneration

5.2 Future reporting

We intend to provide our final progress report by 30 July 2017

However, in the unlikely event that an extension request is necessary we will provide a further progress report in advance of the expiry of the administration

Appendix 1 Statutory information

Company information

Company name	Joseph Metcalf Limited
Date of incorporation	11 April 1927
Company registration number	00221152
Present registered office	KPMG LLP, One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH

Administration information

Administration appointment	The administration appointment granted in High Court Manchester District Registry, 2830 of 2015
Appointor	Directors
Date of appointment	31 July 2015
Joint Administrators' details	Will Wright and Mark Orton
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	30 July 2017

Appendix 2 Joint Administrators' receipts and payments account

Joseph Metcalf Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 31/07/2016 To 30/01/2017 (£)	From 31/07/2015 To 30/01/2017 (£)
FIXED CHARGE ASSETS			
20,000 00	Freehold property	NIL	20,000 00
	Property rights/Patents	NIL	0 01
		NIL	20,000 01
FIXED CHARGE COSTS			
	Legal fees	NIL	(185 00)
		NIL	(185 00)
FIXED CHARGE CREDITORS			
(20,000 00)	Fixed charge creditor	NIL	NIL
		NIL	NIL
OTHER REALISATIONS			
	Barclays Bank interest, gross	9 52	70 70
	Interest on VAT returns	50 84	50 84
		60 36	121 54
COST OF REALISATIONS			
	Statement of affairs work	NIL	(500 00)
	Legal fees	NIL	(3,059 00)
	Pre-appointment legal fees	NIL	(3,336 00)
	Statutory advertising	NIL	(56 39)
	Insurance of assets	NIL	(530 00)
	Bank charges	NIL	(20 00)
		NIL	(7,501 39)
DISTRIBUTIONS			
(200,020 00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(200,020.00)		60.36	12,435.16
REPRESENTED BY			
	Floating ch VAT rec'able		1,999 48
	Floating charge current		12,435 16
	Fixed charge VAT rec'able		37 00
	Floating ch VAT control		(2,036 48)
			12,435 16

Appendix 3 Schedule of expenses

Schedule of expenses (31/07/2016 to 30/01/2017)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Administrators' fees	0.00	10,653.00	10,653.00
TOTAL	0.00	10,653.00	10,653.00

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court

The full text of the relevant rules can be provided on request by writing to Amy Rose at KPMG LLP, One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH.

Appendix 4 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact Amy Rose on 0115 9353582.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Table of charge-out rates

Charge-out rates (£) for: Restructuring		
Grade	From 01 Oct 2015 £/hr	From 01 Nov 2016 £/hr
Partner	595	625
Director	535	560
Senior Manager	485	510
Manager	405	425
Senior Administrator	280	295
Administrator	205	215
Support	125	131

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows.

Mileage claims fall into three categories.

- Use of privately-owned vehicle or car cash alternative – 45p per mile
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any disbursements during the period.

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Narrative of work carried out for the period 31 July 2016 to 30 January 2017

The key areas of work have been

Statutory and compliance	<ul style="list-style-type: none">■ preparing statutory receipts and payments accounts,■ ensuring compliance with all statutory obligations within the relevant timescales
Strategy documents, Checklist and reviews	<ul style="list-style-type: none">■ regular case management and reviewing of progress, including regular team update meetings and calls,■ reviewing and authorising junior staff correspondence and other work,■ complying with internal filing and information recording practices, including documenting strategy decisions
Reports to debenture holders	<ul style="list-style-type: none">■ providing written and oral updates to representatives of secured creditors regarding the progress of the administration and case strategy
Cashiering	<ul style="list-style-type: none">■ reconciling post-appointment bank accounts to internal systems,■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments
Tax	<ul style="list-style-type: none">■ analysing VAT related transactions,■ dealing with post appointment tax compliance
General	<ul style="list-style-type: none">■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9,

Creditors and claims ■ drafting our progress report

Time costs

SIP 9 –Time costs analysis (31/07/2016 to 30/01/2017)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	3.80	799 00	210 26
Reconciliations (& IPS accounting reviews)	1.20	252 00	210 00
General			
Fees and WIP	4.80	1,849 00	385 21
Statutory and compliance			
Checklist & reviews	3.00	616 00	205 33
Statutory receipts and payments accounts	0.30	61 50	205 00
Strategy documents	2.00	970 00	485 00
Tax			
Post appointment corporation tax	2 60	713 00	274 23
Post appointment VAT	5 80	1,494 00	257 59
Creditors			
Creditors and claims			
General correspondence	0.40	86 00	215 00
Legal claims	0.30	61 50	205 00
Statutory reports	14.20	3,751 00	264 15
Total in period	38.40	10,653.00	277.42
Brought forward time (appointment date to SIP 9 period start date)	139 95	46,058.75	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	38 40	10,653 00	
Carry forward time (appointment date to SIP 9 period end date)	178 35	56,711 75	

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates

All time shown in the above analysis is charged in units of six minutes

Appendix 5 Glossary

Bank/Leumi	Leumi ABL Limited
Company	Joseph Metcalf Limited – in Administration
Group	The Company together with, William Sinclair Holdings Plc ('Holdings') William Sinclair Horticulture Limited (‘Horticulture’) Boothby & Penicuik Peat Company Limited
Joint Administrators/we/our/us	Will Wright and Mark Orton
KPMG	KPMG LLP
Loan Note Holders	The various beneficiaries of loan notes held in the Company
Purchaser/Westland	Westland (GB Trading) Limited

Any references in this progress report to sections, paragraphs or rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 respectively

Appendix 6 Notice: About this report

This report has been prepared by Will Wright and Mark Orton, the Joint Administrators of Joseph Metcalf Limited – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the Group.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person

William James Wright is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales.

Mark Jeremy Orton is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association

We are bound by the Insolvency Code of Ethics

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

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